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NORTHERN PACIFIC RAILROAD.

THE CHARTER

AND AMENDMENTS.

THE GENERAL MORTGAGE

ON RAILROAD AND LAND GRANT,

AND

COPY OF FIRST MORTGAGE BOND.

ISSUED BY

JAY COOKE & CO.

BANKERS.

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.N81
1870

ORGANIZATION.

Trustees for the First Mortgage Bondholders.

JAY COOKE,
J. EDGAR THOMSON.

Officers of the Northern Pacific Railroad Company:

J. GREGORY SMITH, *President*, ... }
R. D. RICE, *Vice-President*, ... }
SAMUEL WILKESON, *Secretary*, ... } 120 BROADWAY,
A. H. BARNEY, *Treasurer*, ... } NEW YORK.
W. MILNOR ROBERTS, *Engineer-in-Chief*, . . }
EDWIN F. JOHNSON, *Consulting Engineer*, . . }

Board of Directors:

J. GREGORY SMITH, ...	ST. ALBANS, VT.
R. D. RICE, ...	AUGUSTA, MAINE.
THOMAS H. CANFIELD, ...	BURLINGTON, VT.
WM. B. OGDEN, ...	CHICAGO, ILL.
WM. G. MOORHEAD, ...	PHILADELPHIA, PENN.
WM. G. FARGO, ...	BUFFALO, N. Y.
B. P. CHENEY, ...	BOSTON, MASS.
GEO. W. CASS, ...	PITTSBURG, PENN.
FREDERICK BILLINGS, ...	WOODSTOCK, VT.
WILLIAM WINDOM, ...	WINONA, MINN.
JAMES STINSON, ...	CHICAGO, ILL.
SAMUEL M. FELTON, ...	PHILADELPHIA, PENN.
CHARLES B. WRIGHT, ...	PHILADELPHIA, PENN

Secretary: SAMUEL WILKESON.

Executive Committee:

J. GREGORY SMITH,	WILLIAM G. FARGO,
R. D. RICE,	WILLIAM WINDOM,
WILLIAM B. OGDEN,	S. M. FELTON,
GEORGE W. CASS,	CHARLES B. WRIGHT

Financial Agents for the Railroad Company:

JAY COOKE & CO.

PHILADELPHIA.

CONGRESSIONAL.

The Act incorporating the "NORTHERN PACIFIC RAILROAD COMPANY" was reported to the House of Representatives of the United States, at the first session of the Thirty-eighth Congress, by the Select Committee on the Pacific Railroad, which consisted of the following named members:

THADDEUS STEVENS, of Pennsylvania, Chairman.
A. CUTLER WILDER, of Kansas.
J. B. STEELE, of New York.
HIRAM PRICE, of Iowa.
CORNELIUS COLE, of California.
WARREN P. NOBLE, of Ohio.
IGNATIUS DONNELLY, of Minnesota.
JOHN R. MCBRIDE, of Oregon.
WILLIAM G. STEELE, of New Jersey.
JOSEPH W. MCCLURG, of Missouri.
OAKES AMES, of Massachusetts.
GEORGE H. YEAMAN, of Kentucky.
LORENZO D. M. SWEAT, of Maine.

In the Senate the bill was referred to the Committee on Public Lands, consisting of

JAMES HARLAN, of Iowa, Chairman.
S. C. POMEROY, of Kansas.
SOLOMON FOOT, of Vermont.
B. F. HARDING, of Oregon.
JOHN S. CARLISLE, of Virginia.
J. A. HENDRICKS, of Indiana.
W. WRIGHT, of New Jersey.

Who reported the same to the Senate, and it was finally passed by a unanimous vote.

THE CHARTER.

AN ACT

GRANTING LANDS TO AID IN THE CONSTRUCTION OF A RAILROAD AND TELEGRAPH LINE FROM LAKE SUPERIOR TO PUGET SOUND, ON THE PACIFIC COAST, BY THE NORTHERN ROUTE.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled:

Corporators

That Richard D. Rice, John A. Poore, Samuel P. Strickland, Samuel C. Fessenden, Charles P. Kimball, Augustine Haines, Edwin R. W. Wiggin, Anson P. Morrill, Samuel J. Anderson, of Maine; Willard Sears, J. S. Withington, Josiah Perham, James M. Becket, A. W. Banfield, Abiel Abbott, John Newell, Austin L. Rogers, Nathaniel Green, Jr., Oliver Frost, John A. Bass, John O. Presbrey, George Shiverick, Edward Tyler, Philander J. Forristall, Ivory H. Pope, of Massachusetts; George Opdyke, Fairley Holmes, John Huggins, Philander Reed, George Briggs, Chauncey Vibbard, John C. Fremont, of New York; Ephraim Marsh, John P. Jackson, Jr., of New Jersey; S. M. Felton, John Toy, O. J. Dickey, B. F. Archer, G. W. Cass, J. Edgar Thompson, John A. Green, of Pennsylvania; T. M. Allyn, Moses W. Wilson, Horace Whittaker, Ira Bliss, of Connecticut; Joseph A. Gilmore, Onslow Stearns, E. P. Emerson, Frederick Smith, William E. Chandler, of New Hampshire, Cyrus Aldrich, H. M. Rice, John McKusick, H. C. Waite, Stephen Miller, of Minnesota; E. A. Chipin, John Gregory Smith, George Merrill, of Vermont; James Y. Smith, William S. Slater, Isaac H. Southwick, Earl P. Mason, of Rhode Island; Seth Fuller; William Kellogg, U. S. Grant, William B. Ogden, William G. Greene, Leonard Sweat, Henry W. Blodgett, Porter Sheldon, of Illinois; J. M. Winchell, Elsworth Cheesebrough, James S. Emery, of Kansas; Richard F. Perkins, Richard Chenery, Samuel Brannan, George Rowland, Henry Platt, of California; William F. Mercer, James W. Brownley, of Virginia; John H. B. Latrobe, W. Prescott Smith of Maryland; Greenbury Slack, A. J. Boreman, of West Virginia; Thomas E. Bramlette, Frank Shorin, of Kentucky; John Crough, John A. Bingham, Oran Follett, John Gardner, S. S. L. Hommedieu, Harrison G. Blake, Philo Chamberlin, of Ohio; John A. Duncan, Samuel M. Harrington, of Delaware; Thomas A. Morris, Jesse L. Williams, of Indiana; Samuel L. Case, Henry S. Hall, David H. Jerome, Thomas D. Gilbert, C. A. Trowbridge, of Michigan; Edward H. Broadhead, Alexander Mitchell, Benjamin Ferguson, Levi Steeling, of Wisconsin; J. C. Ainsworth, Orlando Humason, H. W. Corbett, Henry Failling, of Oregon; J. B. S. Todd, M. K. Armstrong, J. Shaw Gregory, J. L. Berge, of Dakota Territory; John Mullan, Anson G. Henry, S. D. Smith, Charles Terry, of Washington Territory; H. W. Starr, Platt Smith, Nixon Denton, William Leighton, B. F. Allen, Reuben Noble, John S. Davies, of Iowa; Willard P. Hall, George R. Smith, N. Gayle King, John C. Sargeant, of Missouri; William H. Wallace, of Idaho Territory; J. H. Lathrop, Henry D. Cooke, H. E. Merrick, of the District of Columbia, and all such other persons

who shall, or may be associated with them, and their successors, are hereby created and erected into a body corporate and politic, in deed and in law, by the name, style, and title of the "Northern Pacific Railroad Company," and by that name shall have perpetual succession, and shall be able to sue and to be sued, plead and be impleaded, defend and be defended, in all courts of law and equity within the United States, and may make and have a common seal

Powers.

And said Corporation is hereby authorized and empowered to lay out, locate construct, furnish, maintain, and enjoy a continuous railroad and telegraph line, with the appurtenances, namely, beginning at a point on Lake Superior, in the State of Minnesota or Wisconsin; thence westerly by the most eligible railroad route, as shall be determined by said company, within the territory of the United States, on a line north of the forty-fifth degree, of latitude, to some point on Puget Sound,* with a branch,† *via* the valley of the Columbia River, to a point at or near Portland, in the State of Oregon, leaving the main trunk line at the most suitable place, not more than three hundred miles from its western terminus; and is hereby vested with all the powers, privileges, and immunities necessary to carry into effect the purposes of this Act as herein set forth. The capital stock of said company shall consist of one million shares of one hundred dollars each, which shall in all respects be deemed personal property, and shall be transferable in such manner as the by-laws of said corporation shall provide. The persons hereinbefore named are hereby appointed commissioners, and shall be called the Board of Commissioners of the "Northern Pacific Railroad Company," and fifteen shall constitute a quorum for the transaction of business. The first meeting of said Board of Commissioners shall be held at the Melodeon Hall, in the city of Boston, at such time as any five commissioners herein named from Massachusetts shall appoint, not more than three months after the passage of this Act, notice of which shall be given by them to the other commissioners, by publishing said notice in at least one daily newspaper in the cities of Boston, New York, Philadelphia, Cincinnati, Milwaukie, and Chicago, once a week, at least four weeks previous to the day of meeting. Said board shall organize by the choice from its number, of a President, Vice President, Secretary and Treasurer, and they shall require from said Treasurer such bonds as may be deemed proper, and may from time to time increase the amount thereof as they may deem proper. The Secretary shall be sworn to the faithful performance of his duties, and such oath shall be entered upon the records of the company, signed by him, and the oath verified thereon. The President and Secretary of said board shall, in like manner, call all other meetings, naming the time and place thereof. It shall be the duty of said Board of Commissioners to open books or cause books to be opened, at such times and in such principal cities or other places in the United States as they or a quorum of them shall determine, within six months after the passage of this Act, to receive subscriptions to the capital stock of said corporation, and a cash payment of ten per centum on all subscriptions, and to receipt therefor; so soon as twenty thousand shares shall in good faith be subscribed for, and ten dollars per share actually paid into the treasury of the company, the said President and Secretary of said Board of Commissioners shall appoint a time and place for the first meeting of the subscribers to the stock of said company, and shall give notice thereof in at least one newspaper in each State in which subscription books have been opened, at least fifteen days previous to the day of meeting, and such subscribers as shall attend the meeting so called, either in person or by lawful proxy, then and there shall elect, by ballot, thirteen directors for said corporation; and in such election each share of said capital stock shall entitle the owner thereof to one vote. The President and Secretary of the Board of Commissioners, and, in case of their absence, or inability, any two of the officers of said board, shall act as inspectors of said election, and shall certify under their hands the names of the directors elected at said meeting, and the said Commissioners, Treasurer, and

Route of the Road.

Portland Branch.

Capital Stock.

Quorum of Commissioners.

First Meeting of Commissioners.

Notice of meetings.

Officers.

Treasurer.

Secretary to be sworn.

Subscription to Stock.

First election of thirteen Directors.

*"Puget Sound" construed to mean all waters connected with straits of Fuca by Act of March 1st, 1869.

†Portland Branch extended to Puget Sound April 13th, 1869.

Secretary, shall then deliver over to said directors, all the properties, subscription books, and other books in their possession, and thereupon the duties of said commissioners and the officers, previously appointed by them, shall cease and determine forever, and thereafter the stockholders shall constitute said body politic and corporate. Annual meetings of the stockholders of said corporation for the choice of officers (when they are to be chosen) and for the transaction of business, shall be holden at such time and place, and upon such notice as may be prescribed in the By-Laws.

Annual meetings prescribed in by-laws.

SECTION 2. *And be it further enacted*, That the right of way through the public lands be, and the same is hereby, granted to said "Northern Pacific Railroad Company," its successors and assigns, for the construction of a railroad and telegraph as proposed; and the right, power, and authority is hereby given to said corporation to take from the public lands adjacent to the line of said road material of earth, stone, timber, and so forth, for the construction thereof; said way is granted to said railroad to the extent of two hundred feet in width on each side of said railroad, where it may pass through the public domain, including all necessary ground for station buildings, workshops, depots, machine shops, switches, side tracks, turn-tables, and water stations; and the right of way shall be exempt from taxations within the Territories of the United States. The United States shall extinguish, as rapidly as may be consistent with public policy and the welfare of the said Indians, the Indian titles to all lands falling under the operations of this Act, and acquired in the donation to the [road] named in this bill.

Right of way.

Material for construction

Way defined.

Indian titles to be extinguished.

SECTION 3. *And be it further enacted*, That there be, and hereby is, granted to the "Northern Pacific Railroad Company," its successors and assigns, for the purpose of aiding in the construction of said railroad and telegraph line to the Pacific coast, and secure the safe and speedy transportation of the mails, troops, munitions of war, and public stores, over the route of said line of railway, every alternate section of public land, not mineral, designated by odd numbers, to the amount of twenty alternate sections per mile, on each side of said railroad line, as said company may adopt, through the territories of the United States, and ten alternate sections of land per mile on each side of said railroad, whenever it passes through any State, and whenever, on the line thereof, the United States have full title, not reserved, sold, granted or otherwise appropriated, and free from preëmption, or other claims or rights, at the time the line of said road is definitely fixed, and a plat thereof filed in the office of the Commissioner of the General Land Office; and whenever, prior to said time, any of said sections or parts of sections, shall have been granted, sold, reserved, occupied by homestead settlers, or preëmpted or otherwise disposed of, other lands shall be selected by said company in lieu thereof, under the direction of the Secretary of the Interior, in alternate sections, and designated by odd numbers, not more than ten miles beyond the limits of said alternate sections: *Provided*, That if the said route shall be found upon the line of any other railroad route, to aid in the construction of which lands have been heretofore granted by the United States as far as the routes are upon the same general line, the amount of land heretofore granted shall be deducted from the amount granted by this act: *Provided further*, That the railroad company receiving the previous grant of land may assign their interest to said "Northern Pacific Railroad Company," or may consolidate, confederate, and associate with said company upon the terms named in the first section of this act: *Provided further*, That all mineral lands be, and the same are hereby, excluded from the operations of this act, and in lieu thereof a like quantity of unoccupied and unappropriated and agricultural lands in odd numbered sections nearest to the line of said road, and within fifty miles thereof, may be selected as above provided: *And Provided, further*, That the word "mineral," where it occurs in this Act, shall not be held to include iron or coal: *And Provided, further*, That no money shall be drawn from the Treasury of the United States to aid in the construction of said "Northern Pacific Railroad."

Land Grant.

Twenty sections per mile on each side in Territories, and ten sections in States.

Deficiencies to be made up.

Proviso for consolidation.

Mineral lands excluded.

"Mineral" defined.

Commissioners to examine twenty-five-mile sections.

SECTION 4. *And be it further enacted*, That whenever said "Northern Pacific Railroad Company" shall have twenty-five consecutive miles of any portion of said railroad and telegraph line ready for the service contemplated, the President of the United States shall appoint three commissioners to examine the same, and if it shall appear that twenty-five consecutive miles of said road and telegraph line have been completed in a good, substantial and workmanlike manner, as in all other respects required by this Act, the commissioners shall so report to the President of the United States, and patents of lands, as aforesaid, shall be issued to said company, confirming to said company the right and title to said lands situated opposite to and conterminous with said completed section of said road; and from time to time, whenever twenty-five additional consecutive miles shall have been constructed, completed, and in readiness as aforesaid, and verified by said commissioners to the President of the United States, then patents shall be issued to said company conveying the additional sections of land as aforesaid, and so on as fast as every twenty-five miles of said road is completed as aforesaid: *Provided*, That no more than ten sections of land per mile, as said road shall be completed, shall be conveyed to said company, for all that part of said railroad lying east of the western boundary of the State of Minnesota, until the whole of said railroad shall be finished and in good running order, as a first-class railroad, from the place of beginning on Lake Superior to the western boundary of Minnesota: *Provided, also*, That lands shall not be granted under the provisions of this Act on account of any railroad or part thereof, constructed at the date of the passage of this Act.

How the road must be built.

SECTION 5. *And be it further enacted*, That said Northern Pacific Railroad shall be constructed in a substantial and workmanlike manner, with all the necessary draws, culverts, bridges, viaducts, crossings, turn-outs, stations, and watering places, and all other appurtenances, including furniture and rolling stock, equal, in all respects, to railroads of the first class when prepared for business, with rails of the best quality, manufactured from American iron. And a uniform gauge shall be established throughout the entire length of the road.

Telegraph.

And there shall be constructed a telegraph line of the most substantial and approved description, to be operated along the entire line: *Provided*, That the said company shall not charge the Governmemt higher rates than they do individuals for like transportation and telegraphic service. And it shall be the

Other roads to connect.

duty of the "Northern Pacific Railroad Company" to permit any other railroad, which shall be authorized to be built by the United States or by the Legislature of any Territory or State in which the same may be situated, to form running connections with it on fair and equitable terms.

Government to survey Land Grant.

SECTION 6. *And be it further enacted*, That the President of the United States shall cause the lands to be surveyed for forty miles in width on both sides of the entire line of said road, after the general route shall be fixed, and as fast as may be required by the construction of said railroad; and the odd sections of land hereby granted shall not be liable to sale, or entry, or pre-emption, before or after they are surveyed, except by said company, as provided in this Act; but the provisions of the act of September, eighteen hundred and forty-one, granting preëmption rights, and the acts amendatory thereof, and of the act entitled "An Act to secure homesteads to actual settlers on the public domain," approved May twenty, eighteen hundred and sixty-two, shall be, and the same are hereby, extended to all other lands on the line of said road when surveyed, excepting those hereby granted to said company; and the

Reserved Lands $2.50 per acre.

reserved alternate sections shall not be sold by the Government at a price less than two dollars and fifty cents per acre, when offered for sale.

Power to enter upon lands.

SECTION 7. *And be it further enacted*, That the said "Northern Pacific Railroad Company" be, and is hereby, authorized and empowered to enter upon, purchase, take, and hold any lands or premises that may be necessary and proper for the construction and working of said road, not exceeding in width two hundred feet on each side of the line of its railroad, unless a greater width be required for the purpose of excavation, or embankments; and also any lands or premises that may be necessary and proper for turn-outs, standing

places for cars, depots, station houses, or any other structures required in the construction and working of said road. And the said company shall have the right to cut and remove trees and other material that might, by falling, encumber its road-bed, though standing, or being more than two hundred feet from the line of said road. And in case the owner of such lands or premises and the said company cannot agree as to the value of the premises taken, or to be taken, for the use of said road, the value thereof shall be determined by the appraisal of three disinterested commissioners, who may be appointed upon application by either party, to any court of record in any of the Territories in which the lands or premises taken lie; and said commissioners, in their assessment of damages, shall appraise such premises at what would have been the value thereof if the road had not been built. And upon return into court of such appraisement, and upon the payment into the same of the estimated value of the premises taken for the use and benefit of the owner thereof, said premises shall be deemed to be taken by said company, which shall thereby acquire full title to the same for the purposes aforesaid. And either party feeling aggrieved at said appraisement may, within thirty days after the same has been returned into court, file an appeal therefrom, and demand a jury of twelve men to estimate the damage sustained; but such appeal shall not interfere with the rights of said company to enter upon the premises taken, or to do any act necessary and proper in the construction of its road. And said party appealing shall give bonds, with sufficient surety or sureties, for the payment of any cost that may arise upon such appeal; and in case the party appealing does not obtain a verdict, increasing or diminishing, as the case may be, the award of the commissioners, such parties shall pay the whole cost incurred by the appellee, as well as his own, and the payment into court for the use of the owner of said premises taken, of a sum equal to that finally awarded, shall be held to vest in said company the title of said land, and of the right to use and occupy the same for the construction, maintenance and operation of said road. And in case any of the lands to be taken, as aforesaid, shall be held by any infant, feme covert, non compos, insane person or persons residing without the Territory within which the lands to be taken lie, or persons subjected to any legal disability, the court may appoint a guardian for any party under any disqualification, to appear in proper person, who shall give bonds with sufficient surety or sureties, for the proper and faithful execution of his trust, and who may represent in court the person disqualified, as aforesaid, from appearing, when the same proceedings shall be had in reference to the appraisement of the premises to be taken for the use of said company, and with the same effect as has been already described; and the title of the company to the lands taken by virtue of this Act, shall not be affected or impaired by reason of any failure by any guardian to discharge faithfully his trust. And in case any party shall have a right or claim to any land for a term of ten years, or any interest therein, in possession, reversion, or remainder, the value of any such estate, less than a fee simple, shall be estimated and determined in the manner hereinbefore set forth. And in case it shall be necessary for the company to enter upon any lands which are unoccupied, and of which there is no apparent owner or claimant, it may proceed to take and use the same for the purposes of said railroad, and may institute proceedings, in manner described, for the purpose of ascertaining the value of, and of acquiring a title to, the same; but the judge of the court hearing said suit shall determine the kind of notice to be served on such owner or owners, and he may in his discretion, appoint an agent or guardian to represent such owner or owners in case of his or their incapacity or non-appearance. But in case no claimant shall appear within six years from the time of the opening of said road across said land, all claims to damages against said company shall be barred.

To cut and remove trees.

Appraisal.

Appeal from appraisement.

Land of infants, &c.

Entry upon lands where there is no apparent owner.

*SECTION 8. *And be it further enacted*, That each and every grant, right, and privilege herein are so made and given to, and accepted by, said Northern Pacific Railroad Company, upon and subject to the following conditions,

Conditions of this grant.

*Amended May 7th, 1866, and July 1st, 1868.

Commence within two years.

namely: That the said company shall commence the work on said road within two years from the approval of this Act by the President, and shall complete not less than fifty miles per year, after the second year, and shall construct, equip, furnish, and complete the whole road by the fourth day of July, Anno Domini, eighteen hundred and seventy-six.

Fifty miles a year to be constructed after second year.

When Congress may complete the Road.

SECTION 9. *And be it further enacted*, That the United States make the several conditional grants herein, and that the said Northern Pacific Railroad company accept the same upon the further conditions that if the said company make any breach of the conditions hereof, and allow the same to continue for upwards of one year, then, in such case, at any time hereafter, the United States, by its Congress, may do any and all acts and things which may be needful and necessary to insure a speedy completion of the said road.

All may subscribe.

*SECTION 10. *And be it further enacted*, That all people of the United States shall have the right to subscribe to the stock of the Northern Pacific Railroad Company until the whole capital named in this Act of Incorporation is taken up, by complying with the terms of subscription; and no mortgage or construction bonds shall ever be issued by said company on said road, or mortgage or lien made in any way, except by the consent of the Congress of the United States.

Road not to be mortgaged.

Post-route and military road.

SECTION 11. *And be it further enacted*, That said Northern Pacific Railroad, or any part thereof, shall be a post-route and a military road, subject to the use of the United States for postal, military, naval, and all other Government service, and also subject to such regulations as Congress may impose restricting the charges for such Government transportation.

Acceptance of this Act.

SECTION 12. *And be it further enacted*, That the acceptance of the terms, conditions, and impositions of this Act by the said Northern Pacific Railroad Company shall be signified in writing under the corporate seal of said company, duly executed pursuant to the direction of its Board of Directors first had and obtained, which acceptance shall be made within two years after the passage of this Act, and not afterwards, and shall be served on the President of the United States.

Annual reports.

SECTION 13. *And be it further enacted*, That the Directors of said company shall make an annual report of their proceedings and expenditures, verified by the affidavits of the President and at least six of the Directors; and they shall from time to time, fix, determine, and regulate the fares, tolls, and charges to be received and paid for transportation of persons and property on said road or any part thereof.

Fares, tolls and charges

President, Vice-President, Treasurer and Secretary hold office at will of the Board.

SECTION 14. *And be it further enacted*, That the Directors chosen in pursuance of the first section of this Act shall, so soon as may be after their election, elect from their own number a President and Vice-President; and said Board of Directors shall, from time to time, and so soon as may be after their election, choose a Treasurer and a Secretary, who shall hold their offices at the will and pleasure of the Board of Directors. The Treasurer and Secretary shall give such bonds, with such security, as the said Board from time to time may require. The Secretary shall, before entering upon his duty, be sworn to the faithful discharge thereof, and said oath shall be made a matter of record upon the books of said corporation. No person shall be a Director of said company unless he shall be a stockholder, and qualified to vote for Directors at the election at which he shall be chosen.

Secretary to be sworn.

Directors must be Stockholders.

Terms of office.

SECTION 15. *And be further enacted*, That the President, Vice-President, and Directors shall hold their offices for the period indicated in the by-laws of said company, not exceeding three years respectively, and until others are chosen in their place and qualified. In case it shall so happen that an election of Directors shall not be made on any day appointed by the by-laws of said company, the corporation shall not, for that excuse, be deemed to be dissolved, but such election may be holden on any day which shall be appointed by the Directors. The Directors, of whom seven, including the President, shall be a quorum for the transaction of business, shall have full power to make and pre-

Failure to elect not to work dissolution of Charter.

Powers of Directors.

*Amended March 1st, 1869.

scribe such by-laws, rules and regulations, as they shall deem needful and proper, touching the disposition and management of the stock, property, estate, and effects of the company, the transfer of shares, the duties and conduct of their officers and servants touching the election and meeting of Directors, and all matters whatsoever which may appertain to the concerns of said company; and the said Board of Directors may have full power to fill any vacancy or vacancies that may occur from any cause or causes, from time to time, in their board. And the said Board of Directors shall have power to appoint such engineers, agents, and subordinates as may from time to time be necessary to carry into effect, the object of the company, and to do all acts and things touching the location and construction of the road.

Ten per cent. assessments on subscriptions.

Sixty days previous notice.

SECTION 16. *And be it further enacted*, That it shall be lawful for the Directors of said company to require payment of the sum of ten per centum cash assessment upon all subscriptions received of all subscribers, and the balance thereof at such times and in such portions and on such conditions as they shall deem to be necessary to complete the said road and telegraph line within the time in this Act prescribed. Sixty days previous notice shall be given of the payments required, and of the time and place of payment, by publishing a notice, once a week, in one daily newspaper in each of the cities of Boston, New York, Philadelphia, and Chicago, and in case any stockholder shall neglect or refuse to pay, in pursuance of such notice, the stock held by such person shall be forfeited absolutely to the use of the company, and also any payment or payments that shall have been made on account thereof, subject to the condition that the Board of Directors may allow the redemption on such terms as they may prescribe.

Forfeiture of Stock.

Acceptance of State aid.

SECTION 17. *And be it further enacted*, That the said company is authorized to accept to its own use any grant, donation, loan, power, franchise, aid, or assistance which may be granted to or conferred upon said company by the Congress of the United States, by the Legislature of any State, or by any corporation, person or persons; and said corporation is authorized to hold and enjoy such grant, donation, loan, power, franchise, aid, or assistance to its own use for the purpose aforesaid.

State consent to be got.

*SECTION 18. *And be it further enacted*, That said Northern Pacific Railroad Company shall obtain the consent of the Legislature of any State through which any portion of said railroad line may pass, previous to commencing the construction thereof; but said company may have the right to put on engineers and survey the route before obtaining the consent of the Legislature.

SECTION 19. *And be it further enacted*, That unless said Northern Pacific Railroad Company shall obtain *bona fide* subscriptions to the stock of said company to the amount of two millions of dollars, with ten per centum paid within two years after the passage and approval of this Act, it shall be null and void.

Congress may alter, amend or repeal.

SECTION 20. *And be it further enacted*, That the better to accomplish the object of this Act, namely: to promote the public interest and welfare by the construction of said railroad and telegraph line, and keeping the same in working order, and to secure to the government at all times, (but particularly in time of war,) the use and benefits of the same for postal, military, and other purposes, Congress may at any time, having due regard for the rights of said "Northern Pacific Railroad Company," add to, alter, amend, or repeal this Act.

SCHUYLER COLFAX,
Speaker of the House of Representatives.

DANIEL CLARK,
President of the Senate, pro tempore.

Approved, July 2, 1864.

ABRAHAM LINCOLN.

* Consent of Minnesota and Wisconsin given in 1865. See pages 15 and 16.

AMENDMENTS TO CHARTER.

No. 34.

Extension of time two years.

SECTION 2. *Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled,* That the time for commencing and completing the Northern Pacific Railroad, and all its several sections, is extended for the term of two years.

Approved May 7th, 1866.

FORTIETH CONGRESS, SECOND SESSION.

No. 47.

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section eight of an Act entitled "An Act granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget Sound, on the Pacific coast," is hereby amended to read as follows:

Extension of time two years from July 2d, 1868.

That each and every grant, right, and privilege herein are so made and given to, and accepted by said Northern Pacific Railroad Company, to and upon the following conditions, namely: That the said company shall commence the work on said road within two years from and after the second day of July, eighteen hundred and sixty-eight, and shall complete not less than one hundred miles per year after the second year thereafter, and shall construct, equip, furnish, and complete the whole road by the fourth day of July, Anno Domini, eighteen hundred and seventy-seven.

One hundred miles a year after July 2d, 1872.

Approved July 1st, 1868.

FORTIETH CONGRESS, THIRD SESSION.

PUBLIC RESOLUTION, No. 11.

Right to mortgage conferred.

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of the Congress of the United States is hereby given to the Northern Pacific Railroad Company to issue its bonds, and to secure the same by mortgage upon its railroad and its telegraph line, for the purpose of raising funds with which to construct said railroad and telegraph line between Lake Superior and Puget Sound, and also upon its branch to a point at or near Portland, Oregon; and the term "Puget Sound," as used here and in the Act incorporating said company, is hereby construed to mean all the waters connected with the straits of Juan De Fuca within the territory of the United States.

Puget Sound defined.

Approved March 1st, 1869.

FORTY-FIRST CONGRESS, FIRST SESSION.

PUBLIC RESOLUTION, No. 20.

JOINT RESOLUTION granting right of way for the construction of a Railroad from a point at or near Portland, Oregon, to a point west of the Cascade Mountains, in Washington Territory.

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Northern Pacific Railroad Company be, and hereby is authorized to extend its branch line from a point at or near Portland, Oregon, to some suitable point on Puget Sound to be determined by said Company, and also to connect the same with its main line west of the Cascade Mountains, in the Territory of Washington; said extension being subject to all the conditions and provisions, and said Company in respect thereto being entitled to all the rights and privileges conferred by the Act incorporating said Company, and all Acts additional to and amendatory thereof: *Provided*, That said Company shall not be entitled to any subsidy in money, bonds, or additional lands of the United States in respect to said extension of its branch line as aforesaid, except such lands as may be included in the right of way on the line of such extension as it may be located: *And provided further*, That at least twenty-five miles of said extension shall be constructed before the second day of July, eighteen hundred and seventy-one, and forty miles per year thereafter until the whole of said extension shall be completed.

Branch from Portland to Puget Sound.

No money or landed subsidy to this branch.

When to be constructed.

Approved April 10th, 1869.

DEPARTMENT OF STATE,
WASHINGTON, APRIL 13th, 1869.

A true copy.

R. S. CHEW,
Chief Clerk.

FORTY-FIRST CONGRESS, SECOND SESSION.

PUBLIC RESOLUTION, No. 44.

A RESOLUTION authorizing the Northern Pacific Railroad Company to issue its bonds for the construction of its road and to secure the same by mortgage, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Northern Pacific Railroad Company be, and hereby is authorized to issue its bonds to aid in the construction and equipment of its road, and to secure the same by mortgage on its property, and rights of property of all kinds and descriptions, real, personal, and mixed, including its franchise as a corporation; and, as proof and notice of its legal execution and effectual delivery, said mortgage shall be filed and recorded in the office of the Secretary of the Interior; and also to locate and construct, under the provisions and with the privileges, grants, and duties provided for in its Act of incorporation, its main road to some point on Puget Sound, via the valley of the Columbia River, with the right to locate and construct its branch from some convenient point on its main trunk line across the Cascade Mountains to Puget Sound; and in the event of there not being in any State or Territory in which said main line or branch may be located, at the time of the final location thereof, the amount of lands per mile granted by Congress to said Company, within the limits prescribed by its charter, then said Company shall be entitled, under the directions of the Secretary of the Interior, to receive so many sections of land belonging to the United States, and designated by odd numbers, in such State or Territory, within ten miles on each side of said road beyond the limits prescribed in said charter, as will make up such deficiency, on said main line or branch, except mineral and other lands as excepted in the

charter of said Company of eighteen hundred and sixty-four, to the amount of the lands that have been granted, sold, reserved, occupied by homestead settlers, pre-empted, or otherwise disposed of subsequent to the passage of the Act of July two, eighteen hundred and sixty-four. And that twenty-five miles of said main line between its western terminus and the city of Portland, in the State of Oregon, shall be completed by the first day of January, Anno Domini, eighteen hundred and seventy-two, and forty miles of the remaining portion thereof each year thereafter, until the whole shall be completed between said points: *Provided*, That all lands hereby granted to said Company which shall not be sold or disposed of, or remain subject to the mortgage by this Act authorized, at the expiration of five years after the completion of the entire road, shall be subject to settlement and preëmption like all other lands, at a price to be paid to said Company, not exceeding two dollars and fifty cents per acre; and if the mortgage hereby authorized shall at any time be enforced by foreclosure or other legal proceeding, or the mortgaged lands hereby granted, or any of them be sold by the trustees to whom such mortgage may be executed, either at its maturity, or for any failure or default of said Company under the terms thereof, such lands shall be sold at public sale, at places within the States and Territories in which they shall be situate, after not less than sixty days' previous notice, in single sections or subdivisions thereof, to the highest and best bidder: *Provided further*, That in the construction of the said railroad, American iron or steel only shall be used, the same to be manufactured from American ores exclusively.

SECTION 2. *And be it further resolved*, That Congress may at any time alter or amend this joint resolution, having due regard to the rights of said Company, and any other parties.

SCHUYLER COLFAX,
President of the Senate.

JAMES G. BLAINE,
Speaker of House of Representatives.

Approved May 31st, 1870.

U. S. GRANT,
President of the United States.

CONSENT OF STATES.

LAWS OF MINNESOTA, 1865.

CHAPTER LXIX.

AN ACT to aid in the construction of the Northern Pacific Railroad and Telegraph Lines from Lake Superior to Puget Sound.

Whereas the Congress of the United States of America did, by an Act entitled "An Act granting lands to aid in the construction of a Railroad and Telegraph Line from Lake Superior to Puget Sound," on the Pacific coast, by the northern route, approved the second day of July, 1864, create a body politic and corporate by the name, style, and title of the "Northern Pacific Railroad Company," and, among other things, did authorize and empower said Company to lay out, construct, finish, maintain, and enjoy a continuous Railroad and Telegraph Line, with the appurtenances named, beginning at a point on Lake Superior, in the State of Minnesota or Wisconsin, thence westerly by the most eligible railroad route to be determined by said company, within the territory of the United States, on a line north of the forty-fifth degree of latitude, to some point on Puget Sound, with a branch *via* Columbia River, to a point at or near Portland, in the State of Oregon, leaving the main trunk line at the most suitable place not more than three hundred miles from its western terminus, and did also vest in said Company all the rights, powers, privileges, and immunities necessary to carry into effect the purpose of said Act.

And whereas the Congress of the United States did also, by said Act, authorize said Northern Pacific Railroad Company to accept, hold, and enjoy to its own use any grant, donation, loan, powers, franchise, aid, or assistance which might be granted to said Company by the Congress of the United States, by the Legislature of any State, or by any corporation, person, or persons, for the purposes of said Act.

And whereas the Northern Pacific Railroad was also required by said Act, to obtain the consent of the Legislatures of any State through which any portion of said railroad line might pass, previous to commencing the construction thereof; now, therefore,

Be it enacted by the Legislature of the State of Minnesota, That the consent of the State be, and the same is hereby given to the said Northern Pacific Railroad Company to survey, lay out, locate, construct, furnish, maintain, and enjoy a continuous Railroad and Telegraph Line, with the appurtenances, within its limits, on the line of said Act of Congress authorized and for the purposes aforesaid in said Act of Congress set forth, and in order to carry the same into full effect, the said Northern Pacific Railroad Company, its successors and assigns, are hereby vested with all the rights, powers, privileges, and immunities, within the limits of this State, which are by said Act of Congress conferred upon them within the territory and jurisdiction of the United States, subject to the conditions in said Act contained, and to the following *proviso:*

Consent of Minnesota granted.

Provided, That should said Company elect to make the eastern terminus of said road east of the eastern boundary of the State of Minnesota, then, and in that case, they shall construct, or cause to be constructed, a line of railroad from the said main line to the navigable waters of Lake Superior, within the State of Minnesota, of the same gauge as said main line, for which purpose the same

Proviso for branch.

powers, rights, and privileges are bereby granted to said Company as they have or may have to construct said line within the State of Minnesota: *And provided further*, That nothing in this Act contained shall be construed as exempting the road-bed and other property of said Company within this State from taxation.

Proviso non-exemption from taxation.

Approved March 2d, 1865.

LAWS OF WISCONSIN.

CHAPTER 485.

The people of the State of Wisconsin represented in Senate and Assembly do enact as follows:

Consent of Wisconsin granted.

SECTION 1. The consent of the State of Wisconsin is hereby given to the Northern Pacific Railroad Company, incorporated by act of Congress entitled "An act granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget Sound, on the Pacific coast, on the Northern route," approved July 2d, 1864, to survey, lay out, construct, finish, maintain, and enjoy a continuous railroad and telegraph line, with the appurtenances, within its limits, on the line within the said act of Congress indicated and authorized; and for the purposes aforesaid, and in said act of Congress set forth, and in order to carry the same into full effect, the said Northern Pacific Railroad Company, its successors and assigns, are hereby vested with all the rights, powers, privileges and immunities within the limits of this State which are by said act of Congress conferred upon them within the territories and jurisdiction of the United States: *Provided*, That said Northern Pacific Railroad Company shall be prohibited at any time prior to the actual building or equipment of said railroad from allowing any railroad company chartered by the laws of the State of Minnesota to use or enjoy any of the privileges hereby granted to the Northern Pacific Railroad Company to be exercised in the State of Wisconsin: *And provided further*, that nothing therein contained shall be construed to prevent the said Northern Pacific Railroad Company, after the building and equipment of said road through the State of Wisconsin, from making such contracts for connections with Minnesota railroads, in the State of Wisconsin, [as] they may deem proper.

SECTION 2. This act shall take effect and be in force from and after its passage and publication.

Approved April 10, 1865.

ORGANIZATION.

THE Board of Commissioners of the Northern Pacific Railroad Company, named in the original charter, held its first meeting at the Melodeon Hall, in the city of Boston, on the 1st day of September, 1864, notice thereof having been duly published according to the requirements of the charter. Thirty-three Commissioners were present, namely: from Massachusetts, 14; Maine, 4; New York, 2; Pennsylvania, 1; Connecticut, 1; New Hampshire, 1; Minnesota, 1; Illinois, 1; Kansas, 1; Michigan, 3; Missouri, 2; District of Columbia, 2.

It having been ascertained and decided that the meeting was regularly and legally called and constituted, it proceeded to elect permanent officers, with the following result: For President, Josiah Perham; Vice-President, Willard Sears; Secretary, Abiel Abbott; Treasurer, I. S. Withington.

The meeting then instructed its officers to open books within ninety days, in the cities of Portland, Maine, and Boston, Mass., to receive subscriptions to the capital stock of the Northern Pacific Railroad Company and a cash payment of ten per cent. thereon, and to receipt therefor. The convention was then adjourned *sine die*.

In obedience to the above instructions of the Board of Commissioners, and in compliance with the charter, the officers of the Board caused stock books to be opened in manner and places above named, and the same remained open until twenty thousand shares of the capital stock of said company, and upwards, were subscribed, and ten dollars per share actually paid in.

The President and Secretary of said Board of Commissioners, by due publication of notice, then called a meeting of the subscribers to the capital stock, to assemble at No. 22 Merchants' Exchange Building, in the city of Boston, on Tuesday, the sixth day of December, 1864, for the purpose of electing thirteen Directors for said corporation, and transacting such other business as might legally come before it. The meeting assembled at the time and place named in the call, and, after organizing, adjourned to the same place on Wednesday, the seventh of December, 1864, at 10 A. M., at which time and place the said subscribers re-assembled, and on motion proceeded to ballot for Directors. The whole number of shares entitled to vote was found to be 20,075, and the total number of votes cast was 20,073, all for the following named gentlemen:

Josiah Perham, I. S. Withington, A. W. Banfield, Philander Reed, Ogden Hall, Richard B. Sewall, Willard Sears, Abiel Abbott, Nathaniel Greene, Jr., P. J. Forristall, John A. Bass, James M. Beckett, and Oliver Frost.

Whereupon the same were declared duly elected Directors of the said Northern Pacific Railroad Company.

The Board of Directors held their first meeting at the office of the company, 22 Merchants' Exchange Building, Boston, at 3 o'clock, P. M., December 7, 1864, and organized by the choice of the following officers of the company to wit:

JOSIAH PERHAM, *President.*
PHILANDER REED, *Vice-President.*
CHARLES S. PERHAM, *Secretary.*
INCREASE S. WITHINGTON, *Treasurer.*

On the 15th day of December, 1864, the Board met pursuant to adjournment, and on motion of Mr. Sewall, it was

Resolved, That the act of Congress of the United States, entitled "An Act granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget Sound, on the Pacific coast, by the Northern route," approved the second day of July, 1864, be and the same is hereby accepted by the "Northern Pacific Railroad Company" therein named, upon the terms, conditions and impositions in the said act set forth.

And that the President of said Company cause this acceptance, duly signified in writing, under the corporate seal and in pursuance of this resolution, to be served upon the President of the United States, in accordance with the requirements of the twelfth section of said act.

On the 29th day of December, 1864, the President of the Company caused the above notice of acceptance to be personally served on the President of the United States, which service was acknowledged in writing by the President, Abraham Lincoln, and by the then Secretary of the Interior.

THE MORTGAGE.

THIS INDENTURE, made the first day of July, A. D. one thousand eight hundred and seventy, between the NORTHERN PACIFIC RAILROAD COMPANY, a corporation created by an act of Congress of the United States of America, entitled "*An Act granting lands to aid in the construction of a Railroad and Telegraph Line from Lake Superior to Puget Sound on the Pacific coast by the Northern Route*," approved by the President of the United States the 2d day of July, A. D., 1864, parties of the FIRST PART, and JAY COOKE and JOHN EDGAR THOMSON, of the City of Philadelphia, Trustees, parties of the OTHER PART.

Citations from Charter.

Whereas, The parties of the first part, by the aforesaid Act of the Congress of the United States, and the Acts and Resolutions of Congress supplementary thereto, are authorized to locate, construct, furnish, maintain and enjoy, by the most eligible route as shall be determined by said company, its main road and telegraph line from a point on Lake Superior, in the State of Minnesota or Wisconsin, within the territory of the United States, on a line north of the 45th degree of latitude, to some point on Puget Sound, via the valley of the Columbia river, with the right to locate and construct its branch from some convenient point on its main-trunk line across the Cascade Mountains to Puget Sound.

And whereas, By the second section of the said Act there is granted to the party of the first part, as follows:

"That the right of way through the public lands be, and the same is hereby granted to said Northern Pacific Railroad Company, its successors and assigns, for the construction of a railroad and telegraph as proposed; and the right, power, and authority is hereby given to said corporation to take from the public lands adjacent to the line of said road material of earth, stone, timber, and so forth, for the construction thereof; said way is granted to said railroad to the extent of two hundred feet in width on each side of said railroad, where it may pass through the public domain, including all necessary ground for station buildings, workshops, depots, machine shops, switches, sidetracks, turn-tables, and water stations; and the right of way shall be exempt from taxation within the territories of the United States. The United States shall extinguish as rapidly as may be consistent with public policy and the welfare of the said Indians, the Indian titles to all lands falling under the operations of this Act, and acquired in the donation to the road named in this bill."

And whereas, By the third section of said Act of Congress there is granted to the party of the first part, as follows, to wit:

Citations from Charter.

"That there be and hereby is granted to the Northern Pacific Railroad Company, its successors and assigns, for the purpose of aiding in the construction of the said railroad and telegraph line to the Pacific coast, and to secure the safe and speedy transportation of the mails, troops, munitions of war and public stores over the route of said line of railway, every alternate section of public land not mineral, designated by odd numbers, to the amount of twenty alternate sections per mile, on each side of said railroad line, as said company may adopt, through the Territories of the United States, and ten alternate sections of land per mile, on each side of said railroad, whenever it passes through any State, and whenever on the line thereof the United States have full title, not reserved, sold, granted, or otherwise appropriated, and free from

preëmption and other claims or rights, at the time the line of said road is definitely fixed and a plat thereof filed in the office of the Commissioner of the General Land Office; and whenever prior to said time any of said sections or parts of sections shall have been granted, sold, reserved, occupied by homestead settlers, or preëmpted or otherwise disposed of, other lands shall be selected by said company in lieu thereof, under the direction of the Secretary of the Interior, in alternate sections, and designated by odd numbers, not more than ten miles beyond the limits of said alternate sections; and it is also provided that the exception of mineral land from the said grant does not apply to iron or coal.

And it is further provided by the said Act that the President of the United States shall cause the lands to be surveyed for forty miles in width, on both sides of the entire line of said road, after the general route shall be fixed, and as fast as may be required by the construction of said railroad, and that the odd sections of land granted to the said company shall not be liable to sale or entry or preëmption before or after they are surveyed, except by the said company as provided in said Act; and that the reserved alternate sections shall not be sold by the Government at a price less than two dollars and fifty cents per acre, when offered for sale."

And whereas, By a Joint Resolution of the Congress of the United States, approved the thirty-first day of May, A. D. 1870, , entitled "Joint Resolution authorizing the Northern Pacific Railroad Company to issue its bonds for the construction of its road, and to secure the same by mortgage, and for other purposes," the said company was authorized and empowered as follows, to wit:

(For JOINT RESOLUTION, see page 13.)

And whereas, The line of the said railroad, and the branch thereof, authorized by law, as nearly as the same can now be ascertained, will be in the aggregate about two thousand five hundred miles in length; and the party of the first part, for the purpose of constructing, equipping and completing the said railroad and telegraph line, has determined to negotiate and procure a loan, which shall not exceed fifty thousand dollars per mile for the whole length of the said railroad and branches now authorized by the said Acts of Congress, on the terms and conditions herein mentioned, and to that end to make and deliver its bonds, payable in gold, at the end of thirty years from the date thereof, with interest coupons, payable also in gold semi-annually, at the rate of seven and three-tenths (7 3-10) per cent. per annum, free from United States tax, at the office of Jay Cooke & Company, in New York; and to secure the payment of said bonds and the interest as the same shall fall due by a First Mortgage upon the railroad, franchises, and all the lands and property and rights of property, real and personal, now possessed by said Northern Pacific Railroad Company, or which the said company may hereafter acquire; which said bonds, with the accrued interest thereon, shall be receivable at all times, at par, for the lands of the company at their price in cash; and shall be issued in denominations of $100, $500, $1,000 each of coupon bonds, or of $100, $500, $1,000, $5,000, or $10,000, of registered bonds, or in amounts of equivalent value in the coin current in London, Paris, Frankfort, Berlin, or Amsterdam, and each class or denomination of said bonds shall be exchangeable for any other class or denomination thereof, at the option of the holder, at the office of the company in New York, without charge for a period of five years from the completion of said road. All of said bonds, when issued, and when exchanged or transferred, shall be countersigned by the Trustees named in the mortgage, and the Register, and shall be in form and substance as follows:

COUPON BOND.

No. **GOLD BOND, $1,000.** *No.*

Bearing 7 3-10 Gold Interest, Free of U. S. Taxes.

Secured by 1st Mortgage on all the Lands of the Company, estimated at about Sixty Millions of Acrss, and on the Franchises and all Property of the Northern Pacific Railroad Company. All Sales of Lands to be appropriated by the Trustees to the Payment of the Principal and Interest of the Bonds.

THE NORTHERN PACIFIC RAILROAD COMPANY,

APPROVED JULY, 1864.

$1,000 $1,000

INCORPORATED BY ACT OF CONGRESS OF THE UNITED STATES OF AMERICA,

Promises to pay to the holder of this Bond, on the 1st day of July, 1900, at the Banking House of JAY COOKE & COMPANY, *New York*, ONE THOUSAND DOLLARS, *in United States Gold Coin, and also interest thereon at the rate of seven and three-tenths per cent. per annum, payable semi-annually, in Gold Coin, free of U. S. taxes, upon the presentation of the annexed interest Coupons at the said Banking House of* JAY COOKE & Co., *New York. This Bond is exchangeable, at the option of the holder, for a Registered Bond of like tenor and date, and is at all times receivable with its accrued interest at par in payment for the lands of the Company at their market price.*

IN TESTIMONY WHEREOF, *the said Company has caused these presents to be executed by its President and Treasurer, and its Corporate Seal to be affixed at New York, this first day of July, 1870.*

A. H. BARNEY, Treasurer. J. GREGORY SMITH, President.

We hereby Certify, that the Northern Pacific Railroad Company, by mortgage dated the first day of July, A. D., 1870, has granted and conveyed to Jay Cooke and John Edgar Thomson, in Trust, the following property therein mentioned and described, to wit: The entire railroad and branches thereof, with the lines of Telegraph, authorized by an Act of the Congress of the United States, and Acts and Resolutions supplementary thereto, which the said Company has undertaken to construct under the said Acts, together with the rights, privileges and franchises of the said Company, and all its property, real and personal, in possession, and which may be acquired, and all the right, title and interest of the said Company, of, in, and to all the lands to it granted by the said Acts of Congress. We further Certify that the said Mortgage has been executed and delivered to us, and filed and recorded in the office of the Secretary of the Interior, at the City of Washington, for the exclusive benefit and security of the holders of this and other Bonds of said Company, issued and to be issued by consent of Congress, to an amount not exceeding in the aggregate Fifty thousand dollars per mile of the said Railroad and branches, and is the first Mortgage on the property therein mentioned and described.

Countersigned and Registered by the Fidelity Insurance Trust and Safe Deposit Company, Philadelphia.

.....*Register.*

JAY COOKE, J. EDGAR THOMSON, } Trustees.

LAND GRANT BOND, $1,000 GOLD.

THIS BOND AND ACCRUED INTEREST RECEIVABLE AT ALL TIMES AT PAR IN PAYMENT FOR LANDS OF THE COMPANY AT MARKET PRICES.

$36.50

Northern Pacific Railroad Company,

Will pay to bearer at the Office of JAY COOKE & Co., in the City of New York, Thirty-Six 50-100 Dollars in Gold, being the Interest due 1st 18 , on Bond No.

A. H. BARNEY, *Treas.*

$36.50

Northern Pacific Railroad Company,

Will pay to bearer at the Office of JAY COOKE & Co., in the City of New York, Thirty-six 50-100 Dollars in Gold, being the Interest due 1st 18 , on Bond No.

A. H. BARNEY, *Treas.*

$36.50

Northern Pacific Railroad Company,

Will pay to bearer at the Office of JAY COOKE & Co., in the City of New York, Thirty-six 50-100 Dollars in Gold, being the Interest due 1st 18, , on Bond No.

A. H. BARNEY, *Treas.*

N. P. R. R. CO.

Coupon Bonds of the Northern Pacific Railroad Company will be issued in $100 $500, and $1,000, and Registered Bonds of $100, $500, $1,000, $5,000, and $10,000, and will be exchangeable one for the other at the office of the Register of the Company, without charge. A portion may be issued payable principal and interest at London, Paris, Frankfort, Berlin or Amsterdam, in the coin there current at its equivalent with the dollar Bonds. All Bonds when issued, and in case of exchanges or transfers, will be countersigned by the Trustees and Register.

United States of America.

$1,000.

THE

NORTHERN PACIFIC RAILROAD CO.

7 3/10 PER CENT.

PRINCIPAL AND INTEREST PAYABLE IN

GOLD COIN.

PRINCIPAL DUE IN 1900.

Interest payable 1st January and 1st July, in the

CITY OF NEW YORK.

N. P. R. R. CO.

(REVERSE OF BOND.)

NOW THIS INDENTURE WITNESSETH, That the Northern Pacific Railroad Company, party of the first part hereto, in consideration of the premises, and of the sum of one dollar, to the said company paid, at and before the sealing and delivery of these presents, the receipt of which is hereby acknowledged, and for the purpose of securing the payment of the principal and interest of the said bonds, in gold coin of the United States, when and as the same shall become due and payable according to the tenor and effect of the said bonds, has granted, bargained, sold, assigned, transferred, released, conveyed and confirmed, and by these presents, by virtue of the power and authority to the said company granted by the Act of Congress and Supplements thereto, and of every other power and authority in the said company vested and enabling, does grant, bargain, sell, assign, transfer, release, convey and confirm unto the parties of the second part—

Property and franchises covered by the mortgage.

All the right, title, interest, claim, estate or demand whatsoever which the party of the first part now has or may at any time hereafter acquire or become in any way entitled to, of, in, and to all the lands and sections of land, situate, lying and being on either side of the said railroad, and the branch thereof, as the same may be finally located and constructed, in accordance with the said Act of Congress, and the supplements thereto, in or through the States of Wisconsin, Minnesota and Oregon, and the United States Territories of Dakota, Montana, Idaho, and Washington, making in the aggregate about sixty millions of acres of land, more or less:—and as the said lands shall be surveyed, selected, and the patents issued for the same by the United States, to the party of the first part, a more particular plan of description of the same shall be appended to this instrument, with the same effect as if said description had been fully set forth herein, before and at the time of the execution and acknowledgment hereof; and also all the right of way, and railroad, and branches thereof, authorized by the said Act of Congress, and the Acts and Resolutions supplementary thereto, constructed and to be constructed under the said Act, in the said States and Territories; and all engines, cars, and rolling stock which the party of the first part may at any time place upon the said railroad for the use and operation thereof, together with all the rights, liberties, franchises and property of every description, to the party of the first part belonging or in anywise appertaining to the said railroad, under or by virtue of the said Acts and Resolutions of the Congress of the United States, to have and to hold the said premises, property and appurtenances above mentioned or described, unto the parties of the second part as joint tenants, and not as tenants in common, their successors and assigns, to the only proper use, benefit and behoof of the parties of the second part, their successors and assigns, in trust, nevertheless, for the holders of the said bonds, and for the purpose of securing the payment of the said bonds, with the interest thereon, and for the uses and purposes and under the conditions and covenants hereinafter declared and expressed.

And the said parties hereto covenant and agree, each with the other, as follows, to wit:

ARTICLE FIRST.—That the party of the first part shall and will pay the principal and interest of said bonds, to the several holders or owners thereof, when and as the same shall become due and payable, according to the tenor and effect of the said bond, and shall and will assume and pay all taxes that may be assessed upon the same from time to time by the United States of America.

Bonds exchangeable.

ARTICLE SECOND.—That the party of the first part, at any time within five years after the completion of the said railroad and branch thereof, shall and will receive, at its principal office in the city of New York, any class or denomination of the said bonds for any equivalent amount of any other class or denomination of said bonds, at the option of, and without charge to, the party or parties desiring to make such exchanges.

ARTICLE THIRD.—All the property and estate herein conveyed, or mentioned and intended so to be, and all moneys arising from the sale of the same, or any part thereof, after deducting the expenses of executing this trust, are and shall be held as security, and are hereby pledged to the payment of said bonds,

and the interest to become due thereon, as the same shall fall due and become payable, according to the tenor and effect of the said bonds, and shall be applied promptly to that purpose by the Trustees, in case of default in any such payment by the party of the first part.

Sale of lands. Bonds receivable for lands.

ARTICLE FOURTH.—The party of the first part shall at all times be at liberty to contract for the sale of any parcel or parcels of said lands granted to said party of first part by the said Act of Congress, and the supplements thereto, at such prices approved by the said Trustees, and upon such terms as to payment as shall be fair and reasonable; and such sale or sales may be for cash or on credit, or partly for cash and partly on credit; and any of the bonds aforesaid, with the accrued interest or matured coupons, shall be received at the par value thereof, as cash, in payment of said lands; and the balance of said price may be secured by mortgage of the parcel or parcels of land so sold; but no land, during the construction of the road, shall be sold at less than two dollars and fifty cents ($2.50) per acre, the price limited by law for adjoining lands owned by the United States; AND THE PROCEEDS OF ALL SALES OF LANDS, WHETHER IN CASH, BONDS, COUPONS OR OTHER SECURITIES, SHALL BE DEPOSITED WITH THE TRUSTEES; and whenever sales of land shall be thus made by the company, the payment to the Trustees of the proceeds of such sale shall release the said lands so sold from the lien of this mortgage; and the Trustees shall and will thereupon execute to the purchaser thereof, or to the company, a full and sufficient release of the said lands sold, as aforesaid, from the aforesaid lien, so that the purchaser shall hold and enjoy the same, free from any incumbrance created or existing by reason of this mortgage.

Minimum price of land.

Land, how released from mortgage.

Proceeds of bond sales, how applied.

ARTICLE FIFTH.—The proceeds of the sales of the bonds shall be placed to the credit of the company upon the books of the Fiscal Agents, and shall remain on deposit with them until required for disbursement on account of construction and equipment, or other legitimate expenditures of the road; and the Trustees, under this mortgage, shall have access to the accounts of the Fiscal Agents, and shall certify, from time to time, as may be required, that said funds have been so deposited and disbursed.

Proceeds of land sales, how to be invested.

All moneys in the hands of the Trustees, received by them under the Second of these articles, or for lands sold, shall be invested by them in the first mortgage bonds of the company secured by this mortgage, when said bonds can be purchased at a sum not exceeding one hundred and ten (110) cents on the dollar and accrued interest; and when said bonds cannot be purchased at that rate, then said Trustees may invest in said bonds at a higher rate, or in United States bonds, or loan said funds upon first mortgages upon productive real estate, worth, in every case, double the amount of the loan thereby secured; but before said Trustees shall invest in the bonds of the company at a rate exceeding one hundred and ten (110) cents on the dollar, and accrued interest, or in United States securities, or in mortgages aforesaid, the executive committee of the company shall elect in which class of said securities the said investments shall be made, and the Trustees shall invest in accordance with said election. All bonds and paid coupons of the company coming into the hands of the Trustees, whether by purchase as aforesaid, or from the sale of lands, shall be cancelled by them every three months, and surrendered to the company as paid.

Payment of interest.

ARTICLE SIXTH.—During the construction of the said railroad hereby mortgaged, the interest on the bonds intended to be secured hereby, shall be paid out of the earnings of the said road, and the proceeds of the sales of first mortgage bonds; and no part of the proceeds of the sale of the land embraced in this mortgage, or intended to be, shall at any time be appropriated to the payment of interest on said bonds, unless the general treasury of the company shall be first exhausted; and in such event the said company shall execute to the Trustees, for the security of the holders of said bonds, an income bond, bearing seven and three-tenths (7 3-10) per cent. interest in gold, to an amount equal to the advance from the land fund in payment of interest as aforesaid, on which income bond the interest shall be paid by the company before any of the earnings of the road shall be paid to the stockholders; and said income bond

shall be redeemed by other bonds of the company bearing the same rate of interest in gold, and secured by a second mortgage of the premises herein mentioned or described, including so much of the said land as may remain unsold, should the company determine to issue such bonds.

Yearly release of lands from mortgage.

ARTICLE SEVENTH.—At the close of each fiscal year, after the construction of said road shall have been completed, so that cars shall pass over the same from Lake Superior to Puget Sound, the Trustees shall ascertain the amount of bonds purchased by them, or received in payment of lands, and the amount of proceeds invested in other securities, as above provided, and shall then release and convey to the company an amount of land equal in average value to that of the land then remaining unsold, bearing the proportion to the whole land grant from the United States to the company, that the amount of bonds thus received and money invested, as aforesaid, shall bear to the whole amount of bonds issued, upon the basis of sixty millions (60,000,000) of acres of land to the whole amount of bonds issued, at the rate of fifty thousand dollars per mile of the said main line and branches.

ARTICLE EIGHTH.—The company shall remain in possession of the railroad, and all the property embraced in the mortgage, until there shall have been a breach in the conditions of this mortgage.

Powers of Trustees.

ARTICLE NINTH.—The Trustees shall have full power, from time to time, to employ a register and treasurer and such clerks and assistants as they shall find necessary to enable them to discharge properly the duties devolving upon them under the provisions of this instrument, in respect to the issue of bonds, and the sale or conveyance of the lands granted as aforesaid by the Government of the United States; and they shall also have power to appoint an agent or attorney to execute conveyances of said lands, and to act generally in their behalf in respect thereto, and from time to time to remove such agent and appoint another in his place; and all conveyances executed by such agent or attorney and countersigned by said treasurer, and other acts performed within the scope of his powers, shall be legal and valid, in the same manner as if executed or done by the Trustees.

Land Agent.

Conveyances.

ARTICLE TENTH.—Conveyance of the said lands granted by the United States may be, from time to time and at all times, executed by the Trustees of this mortgage for the time being, or under their authority, by an agent appointed, as provided in Article Nine, and being so executed, shall be effectual to divest the title of all the Trustees; but in respect to any conveyances so made, or the lands embraced therein, or the proceeds of the sale thereof, the Trustees not joining therein shall be in no manner answerable.

Proceedings in case of default continued three months.

ARTICLE ELEVENTH.—If there shall at any time be a default in the payment of any interest or principal upon any of the bonds secured by this instrument, when and as the same shall become payable, and such default continue for six months after demand made at the principal office of the company for the payment of the same, the Trustees are authorized and empowered, in their discretion, to enter upon and sell at public auction, in the city of New York, after notice in writing to the company, and after notice of such sale shall have been published at least twice a week for six weeks in one or more newspapers printed at said New York, and such other place as they may think proper or expedient, so much of such land as shall be necessary to pay and satisfy such liabilities.

In case of default continued six months.

ARTICLE TWELFTH.—In case default shall be made in the payment of any interest on any of the aforesaid bonds secured by this instrument, issued or to be issued, according to the tenor and effect of the said bonds, or in any requirement to be done or kept by the party of the first part, and if such default shall continue for the period of six months after demand for such payment or notice of such requirement made or given to the party of the first part in writing, it shall be lawful for the said Trustees, or the survivor or survivors of them, or their or his successors, personally or by their or his attorneys or agents, to enter into and upon all and singular the premises hereby conveyed, or intended so to be, and each and every part thereof, and to have, hold and use the same, operating by their or his superintendents, managers, receivers or servants, or

other attorneys or agents, the said railway, and conducting the business thereof, and making from time to time, all repairs and replacements, and such useful alterations, additions and improvements thereto as may be necessary for the lawful and proper accommodation of the business of the said road, and to collect and receive all tolls, freight, incomes, rents, issues and profits of the same, and of every part thereof; and after deducting the expense of operating the said railway, and conducting its business, and of all the said repairs, replacements, alterations, additions and improvements, and all payments which may be made for taxes, assessments, charges or liens, prior to the lien of these presents upon the said premises, or any part thereof, as well as a just compensation for their or his own services, and services of his agents or attorneys, to apply the moneys arising as aforesaid to the payment of interest, upon the said bonds intended to be secured by this mortgage, in the order in which such interest shall have become or shall become due, ratably to the persons entitled to such interest, and after paying all interest which shall have become due, shall restore the premises aforesaid to the possession of the party of the first part, subject however to the covenants and conditions of this mortgage.

In case of default continued three years.

ARTICLE THIRTEENTH.—In case default shall be made as aforesaid, and shall continue for the space of three years after entry as provided in Article *Twelfth*, it shall be lawful for the said Trustees or the survivors or survivor of them, or their or his successors in this trust, personally or by their or his attorneys or agents, to sell and dispose of all and singular the premises hereby conveyed, or intended so to be, or only so much or such parts thereof as they may deem necessary and proper with a due regard to the interest of all parties, at public auction in the city of New York, or at such place as the said Trustees may designate, and at such time as they may appoint, having first given personal notice to a majority of the Board of Directors and notice of the place and time of such sale, by advertisement, published not less than three times a week for four months, or such shorter time, not less than forty days, as the party of the first part may, by resolution of its Board of Directors, assent to, in one or more newspapers in the city of New York, or other cities or towns as shall be deemed for the interest of the parties hereto, by the Trustees, or to adjourn the said sale, from time to time, in their or his discretion; and if so adjourning, to make the same at the time and place to which the same may be so adjourned; and on receiving full payment for the same, to make and deliver to the purchaser or purchasers thereof good and sufficient deed or deeds in the law for the same, in fee simple, which sale, made as aforesaid, shall be a perpetual bar, both in law and equity, against the party of the first part, and all other persons lawfully claiming or to claim the said premises, or any part thereof, by, from, through or under the said party of the first part: and after deducting from the proceeds of such sale, just allowances for all expenses of the said sale, including attorneys' and counsel fees, and all other expenses, advances or liabilities which may have been made or incurred by the said Trustees in operating or maintaining the said railway, or in managing its business while in possession, and all payments which may have been made by them for taxes or assessments, and for charges and liens prior to the lien of these presents on the said premises, or any part thereof, as well as reasonable and lawful compensation for their own services, to apply the said proceeds to the payment of the principal of such of the aforesaid bonds, as may be at that time unpaid, whether or not the same shall have previously become due; and of the interest which shall at that time have accrued on the said principal, and be unpaid, without discrimination or preference, but ratably to the aggregate amount of such unpaid principal and accrued and unpaid interest; and, if after satisfaction thereof, a surplus of the said proceeds shall remain, to pay over the same to the said Northern Pacific Railroad Company, or to such other parties as may be entitled to receive the same.

And it is hereby declared that the receipt or receipts of the said Trustees shall be sufficient discharge to the purchaser or purchasers of the premises, or of any part thereof, for his or their purchase money, and that such purchaser or purchasers, his or their heirs, executors or administrators, shall not, after pay-

ment thereof, and having such receipt, be liable to see to its being applied upon or for the trusts and purposes of these presents, or in any manner whatsoever be answerable for any loss, misapplication or non-application of such purchase money, or in any part thereof, or be obliged to inquire into the necessity, expediency or authority of or for any such sale.

ARTICLE FOURTEENTH.—At any sale of the aforesaid railroad equipments appurtenances, or any part thereof, or any part of the premises included in this mortgage, whether made by virtue of the power herein granted, or by judicial authority, the Trustees may bid for and purchase, or cause to be bid for and purchased, the property so sold, or any part thereof, in behalf of all the holders of the bonds secured by this instrument and then outstanding, in the proportion of the respective interests of such bondholders, at a reasonable price, if but a portion of the said property shall be sold; or if all of it be sold, at a price not exceeding the whole amount of such bonds outstanding, with the interest accrued thereon.

Further Assurances.

ARTICLE FIFTEENTH.—The party of the first part shall from time to time, and at all times hereafter, and as often as thereunto requested by the Trustees, execute, deliver and acknowledge all such further deeds, conveyances and assurances in the law for the better assuring unto the Trustees and their successors in the trust hereby created, upon the trusts herein expressed, the lands, railway, equipments and appurtenances hereinbefore mentioned, or intended so to be, and all other property and things whatsoever, which may be hereafter acquired for use in connection with the same, or any part thereof, and all franchises now held, including the franchise to be a corporation, as by the Trustees, or the survivors or survivor of them, or their successors, or by their or his counsel learned in the law, shall be reasonably advised, devised or required; and the party of the first part shall furnish to the party of the second part, from time to time upon their reasonable request in writing, a true and full inventory of all the movable property appertaining to the said railroad and the operations thereof, and which is transferred by this indenture; but no default to demand or to furnish such inventory shall impair the operation or effect of this indenture upon all or any of the property herein agreed to be transferred.

Further powers of Trustees.

ARTICLE SIXTEENTH.—The Trustees shall have full power in their discretion, and upon the written request of the party of the first part, to convey, by way of release or otherwise, to the persons designated by the said party of the first part, the whole or any part of any lands acquired or held for the purposes of stations, depots, shops or other buildings, or the uses connected therewith; and shall also have power to convey as aforesaid any lands, whether donated by the United States government or otherwise, which in the judgment of the Trustees, shall not be necessary for use in connection with the said railroad, or which may have been held for a supply of fuel, gravel or other material; and also to convey as aforesaid any lands which may become disused by reason of a change of the location of any station house, depot, shop or other building connected with the said railway, and such lands occupied by the track and adjacent to such station house, depot, shop or other building, as the said party may deem it expedient to disuse or abandon by reason of such change; and to consent to any such change, and to such other changes in the location of the track, as, in their judgment, shall have become expedient; and to make and deliver the conveyances necessary to carry the same into effect; but any lands which may be acquired for permanent use in substitution for any so released, shall be conveyed to the Trustees upon the trusts of these presents; and the Trustees shall also have full power to allow the said party of the first part, from time to time, to dispose of, according to its discretion, such portions of the equipments, machinery and implements, at any time held or acquired for the use of the said railway, as may have become unfit for such use, replacing the same by new, which shall be held by the Trustees under the provisions of these presents.

ARTICLE SEVENTEENTH.—If the said party shall well and truly pay the principal and interest of the said bonds, the payment of which is intended to be secured hereby, at the times and in the manner specified in said bonds, and

according to the tenor and effect thereof, and shall well and truly keep and perform all the things herein required to be kept or performed by the said party, according to the true intent and meaning of these presents, then, and in that case, the estate, right, title and interest of the said parties of the second part, and of their successors in the trust hereby created, shall cease, determine and become void; otherwise the same shall be and remain in full force and virtue.

ARTICLE EIGHTEENTH.—It is hereby declared and agreed, that it shall be the duty of the Trustees to exercise the power of entry hereby granted, or the power of sale hereby granted, or both, or to take appropriate legal proceedings to enforce the rights of the bondholders under these presents, upon the requisition, in writing, as hereinafter specified as applicable to the several cases of default, in the manner and subject to the qualifications hereinafter provided, as follows:

Duty of Trustees.

I. If the default be as to interest or principal of any bonds, provided for by these presents, such requisition upon the said Trustees shall be by holders of not less than ten million dollars in aggregate amount of the said bonds; and upon such requisition, and a proper indemnification by the persons making the same to the Trustees against the cost and expenses to be by them incurred, it shall be the duty of the Trustees to enforce the rights of the bondholders under these presents by entry, sale or legal proceedings, as they, being advised by counsel learned in the law, shall deem most expedient for the interest of all the holders of the said bonds.

II. If the default be in the omission of any act or thing required by Article *Fifteenth* of these presents, for the further assuring of the title of the Trustees to any property or franchises now possessed or hereafter acquired, or in any provisions herein contained to be performed or kept by the said company, then, and in either of such cases, the requisitions shall be as aforesaid, but it shall be within the discretion of the Trustees to enforce or waive the rights of the bondholders by reason of such default, subject to the power hereby declared of a majority in interest of the holders of the said bonds, by requisition in writing, or by a vote at a meeting duly held to instruct the said Trustees to waive such default, or to enforce their rights by reason thereof, provided that no action of the said Trustees, or bondholders, or both, in waiving such default, or otherwise, shall extend to or be taken to effect any subsequent default, or to impair the rights resulting therefrom.

The Trustees—proceedings in case of death, resignation, or disability

ARTICLE NINETEENTH.—It is mutually agreed, by and between the parties hereto, that the word "Trustees" as used in these presents, shall be construed to mean the Trustees of this mortgage for the time being, whether all or any be original or new; and whenever a vacancy shall occur, the trustee or trustees surviving or continuing, shall thereupon become vested with all the powers, authorities and estates granted to or conferred upon the parties of the second part, by these presents, including power to fill vacancies, and all the rights and interests requisite to enable him or them to execute the purpose of this trust, without any further assurance or conveyance, so far as such effect may be lawful; but the surviving or continuing trustees or trustee shall immediately execute such conveyance and other instruments as may be fit or expedient for the purpose of assuring the legal estate in the premises, jointly with themselves or himself, to the trustee or trustees so appointed; and upon the death, resignation or removal of any trustee, or any appointment in his place, in pursuance of these presents, all his powers and authorities, by virtue hereof, shall cease; and all the estate, right, title and interest in the said premises, of any trustee so dying, resigning or being removed, shall, if there be a co-trustee or co-trustees surviving or continuing in office, wholly cease and determine; but the said trustee so resigning or being removed, shall, on the written request of the new trustee who may be appointed, immediately execute a deed or deeds of conveyance to vest in such new trustee, jointly with the continuing trustees or trustee, upon the trust herein expressed, all, the property, rights and franchises which may be at that time held upon the said trusts. And in case it shall at any time hereafter prove impracticable, after reasonable exertions, to appoint, in the manner hereinbefore provided, a successor in any vacancy which

THE LAND GRANT.—The Northern Pacific Railroad Land Grant is larger than the six New England States with Maryland added, or as large as the two States of Ohio and Indiana combined. The average of soil is very fertile and the climate is pleasant and healthful. With the railroad built through the midst of these lands their value can be estimated by the present price of similar lands along the line of other roads. For example, the Illinois Central Railroad grant of only 2,595,000 acres, the sales from which already exceed $24,000,000, will yield the Company at least $30,000,000—an average of over $11 per acre. As the building of the Northern Pacific Railroad progresses, the lands of the Company will be thrown open to sale and settlement at *moderate prices* and on *easy terms of payment.* As each 25-mile section of the road is completed and accepted, the Government conveys to the Railroad Company a proportionate amount (some 600,000 acres) of land. Thus the Company will soon come into full possession of some three millions of acres in Minnesota—this first installment being greater than the entire Illinois Central grant.

EMIGRATION SCHEME.—To facilitate and render certain the rapid sale and settlement of its lands, and to promote the early development of the entire belt of Northwestern States and Territories tributary to the road, the Northern Pacific Railroad Company is now organizing a Department of Emigration. The system adopted is comprehensive, practical, and on a scale hitherto unattempted by any corporation or government. In connection with this work of fostering emigration from Europe, and the thickly peopled parts of our own country, to the Northwest, will be employed some of our most eminent and trustworthy citizens, both native and foreign-born.

THE ROAD NOW BUILDING.—Work was begun in July last on the eastern portion of the line, and the money provided, by the sale to stockholders of some six millions of the Company's bonds, to build and equip the road from Lake Superior across Minnesota to the Red River of the North—233 miles. The grading on this division is now well advanced, the iron is being rapidly laid; several thousand men are at work on the line, and about the first of August next this important section of the road will be in full operation. In the meantime orders have been sent to the Pacific coast for the commencement of the work on the western end in early Spring, and thereafter the work will be pushed, both eastward and westward, with as much speed as may be consistent with solidity and a wise economy.

FUTURE BUSINESS OF THE ROAD.—The business of the Road, immediately on its completion and even during construction, will be very large, and will consist mainly of: 1. The transportation of Government mails, troops and military supplies. 2. The large local carrying trade of the present population of the States and Territories traversed. 3. The entire trade of the important British settlements occupying the rich valleys of the Red and Saskatchewan Rivers, the Winnipeg Basin, and the fertile plains of British Columbia on the Pacific slope. 4. That portion of the large Through Business between the Atlantic and Pacific Oceans which will certainly pass over this line owing to its great superiority in directness, shortness, and ease of grades. 5. The constantly increasing carrying trade of the millions of people who will soon occupy the magnificent country through which the road passes, and the transportation of whose supplies and products alone will speedily constitute a paying business for one line of road.

This Road will unite Lake Superior and St. Paul with Puget Sound—and hence the commerce of the Lakes and of the Mississippi River with that of the Pacific Ocean—by a line, counting actual distance and difference in grades, at least 500 miles shorter than the present one connecting Lake Michigan and San Francisco. By it Liverpool and New York will be brought 1,400 miles nearer than now to the ports of China and Japan. It will be the only trans-continental line under one control.

Branch lines or feeders will be built from the Trunk road, northward and southward, so as to drain the entire region north of latitude 42° and render the future construction of additional east and west lines within that belt unnecessary.

THE MORTGAGE.—For the security of the first mortgage bondholders, and obedient to Act of Congress, the general mortgage covering the property named above is recorded in the office of the Secretary of the Interior at Washington. The Trustees of the mortgage are Messrs. Jay Cooke, of Philadelphia, and J. Edgar Thomson, President of the Pennsylvania Central Railroad Company. These Trustees, who directly represent the bondholders, are required by the terms of the mortgage to see that the proceeds of all sales of First Mortgage Bonds are *devoted to the construction and equipment of the road*, and that the *proceeds of land sales* are used in *purchasing and cancelling the bonds of the Company* if they can be bought before maturity at not more than 10 per cent. premium; otherwise the Trustees are to invest the proceeds of land sales in United States Bonds or Real Estate Mortgages for the further security of Northern Pacific bondholders. At all times until the entire bonded debt of the Railroad Company is paid off and cancelled, the Trustees are required to see that they have in their control, as security, at least 500 acres of average land to every $1,000 of outstanding first mortgage bonds, besides the railroad itself and all its equipments and franchises.

All bonds issued bear the signature of the President and Treasurer of the Northern Pacific Railroad Company, accompanied by the corporate seal; they are also signed by the Trustees of the mortgage, Jay Cooke and J. Edgar Thomson, and are finally registered and countersigned by the Fidelity Trust and Safe Deposit Company, of Philadelphia.

PROFITABLENESS OF NORTHERN PACIFIC 7-30's.—We are not willing to admit that any investment can be safer than the bonds of the United States, which, as the Government's agents, we placed in the hands of the people of this country and of Europe. But since the Government is no longer a borrower, but is rapidly paying off its existing debt, and as the great work the nation now has in hand is not that of preserving its existence, but that of *developing a continent*, we call the attention of those who desire to increase their income while still having a perfectly reliable investment, to the following facts:

United States 5-20's at their average premium yield the present purchaser less than 5½ per cent. gold interest. Should they be redeemed in five years, and specie payments be resumed, they would really pay only 4⅜ per cent., or if in three years, only 3½ per cent., as the present premium would meanwhile be sunk.

Northern Pacific 7-30's, selling at par in currency, yield the investor $7\frac{3}{10}$ per cent. gold interest absolutely for thirty years, *free from United States tax*. $1,100 currency invested now in United States 5-20's will yield per year in gold, say $62.00. $1,100 currency invested now in Northern Pacific 7-30's will yield per year in gold, $80.30. Here is a difference *in annual income* of nearly *one-third*, besides a difference of 7 to 10 per cent. in principal, when both classes of bonds are redeemed.

With the same entire confidence with which we commended Government bonds to Capitalists and People, we now, after the fullest investigation, recommend these Northern Pacific Railroad bonds to our friends and the general public.

THEIR PERMANENCE.—Capital invested in these bonds cannot be disturbed for thirty years, unless by consent of the holder. The Government fully expects to call in and cancel its 5-20 bonds within two years. Persons holding the latter and desiring a more permanent investment cannot do better than convert them into Northern Pacific Railroad 7-30's.

THEIR NATIONAL CHARACTER.—The Northern Pacific Railroad is chartered by the Congress of the United States; the present loan and the general mortgage to secure it are authorized by special Act of Congress; the mortgage, as required by law, is recorded in the office of the Secretary of the Interior at Washington; each 25-mile section of the road is to be examined and accepted by Government Commissioners; the right of way across the public domain, and construction material, are granted gratuitously by the United States; and finally, while the Government does not directly guarantee the bonds of the Road, it amply provides for their full and prompt payment by an unreserved grant of land, the most valuable ever conferred upon a great national improvement.

BONDS RECEIVABLE FOR LANDS.—By the terms of the mortgage the 7-30 bonds of the Company are always receivable, at par and accrued interest, in payment for the Company's lands at their lowest graded prices; and by an arrangement between the Trustees and the Directors of the Company, in all cash purchases of land from the Railroad 10 per cent. discount will be made from the purchase price whenever the Company's first mortgage bonds are offered in payment. In other words, Northern Pacific 7-30's are, if desired, at all times convertible at 1.10 into real estate at lowest cash prices.

BONDS EXCHANGEABLE.—The registered bonds can be exchanged at any time for coupons, the coupons for registered, and both these can be exchanged for others, payable, principal and interest, at the London and American banking-houses of Jay Cooke & Co., or at any of the principal financial centres of Europe, in the coin of the various European countries. These securities will thus have great currency in the leading money markets of the world.

LIMITED AMOUNT.—The first series of these bonds is now being sold to furnish funds to complete the Northern Pacific Railroad westward to the Great Bend of the Missouri. Should negotiations now pending in Europe result satisfactorily, only a limited amount of these desirable securities will be offered in the American market for some time to come.

HOW TO GET THEM.—Your nearest Bank or Banker will supply these bonds in any desired amount, and of any needed denomination. Persons wishing to exchange other bonds for these, can do so with any of our agents, who will allow the highest current price for all marketable securities.

Those living in localities remote from banks, may send money, or other bonds, directly to us by express, and we will send back Northern Pacific bonds at our own risk, and without cost to the investor. Should further information be desired, any of the Banks or Bankers employed to sell this loan, will be glad to answer all questions, furnish pamphlets, maps, &c., and supply the Seven-Thirties in small or large amounts.

FOR SALE BY

JAY COOKE & CO.

Fiscal Agents Northern Pacific Railroad Co.

114 SOUTH THIRD STREET, PHILADELPHIA: CORNER OF NASSAU AND WALL STREETS, NEW YORK: 452 FIFTEENTH STREET, WASHINGTON, D. C., BY NATIONAL BANKS, AND BY BROKERS GENERALLY THROUGHOUT THE COUNTRY.